



4310-DQ-P

## **DEPARTMENT OF THE INTERIOR**

### **Bureau of Land Management**

**[LLUT-92000-12XL5017AR-L51100000-GA0000-LVEMJ12CJ610, UTU89060]**

### **Notice of Competitive Coal Lease Sale, Utah**

**AGENCY:** Bureau of Land Management, Interior.

**ACTION:** Notice of Competitive Coal Lease Sale.

**SUMMARY:** Notice is hereby given that the United States Department of the Interior, Bureau of Land Management (BLM), Utah State Office will reoffer certain coal resources described below as the Dry Canyon B Tract (UTU-89060) in Carbon County, Utah, for competitive sale by sealed bid, in accordance with the Federal regulations for competitive lease sale notices and the Mineral Leasing Act of 1920, as amended. The initial application (UTU-85539) for the lands contained in the Dry Canyon Tract were offered for lease on November 15, 2011, as originally applied for on March 28, 2007. No bids were received at the original offering of this lease.

**DATES:** The lease sale will be held at 1:00 p.m. on March 6, 2013. The sealed bid must be sent by certified mail, return receipt requested, or be hand delivered to the address indicated below, and must be received by or before 10:00 a.m. on March 6, 2013.

The BLM cashier will issue a receipt for each hand delivered sealed bid. Any bid received after the time specified will not be considered and will be returned. The outside of the sealed envelope containing the bid must clearly state the envelope contains a bid for Coal Lease Sale UTU-89060, and that it is not to be opened before the date and hour of the sale.

**ADDRESSES:** The lease sale will be held in the BLM's Utah State Office, Monument Conference Room, Fifth Floor, 440 West 200 South, Salt Lake City, Utah. Sealed bids can be hand delivered to the cashier, Utah State Office, 440 West 200 South, Suite 500, Salt Lake City, Utah, during normal business hours (7:45 a.m. to 4:30 p.m.), Monday through Friday, except holidays. Sealed bids may also be sent by certified mail, return receipt requested to the Cashier, BLM Utah State Office, P. O. Box 45155, Salt Lake City, Utah 84145-0155.

**FOR FURTHER INFORMATION CONTACT:** Jeff McKenzie, 440 West 200 South, Suite 500 Salt Lake City, Utah 84101-1345 or telephone 801-539-4038. Persons who use a telecommunications device for the deaf (TDD) may call the Federal Information Relay Service (FIRS) at 1-800-877-8339 to contact the above individual during normal business hours. The FIRS is available 24 hours a day, 7 days a week, to leave a message or question with the above individual. You will receive a reply during normal business hours.

**SUPPLEMENTARY INFORMATION:** This coal lease sale is being held in response to a lease by application (LBA) submitted by Wasatch Natural Resources, LLC, to the BLM on April 27, 2012. All coal LBAs submitted to the BLM for processing on or after November 7, 2005, are subject to processing costs on a case by case basis (43 CFR 3000.10(d)(1), (70 FR 58872, October 7, 2005). The processing cost rules implemented for coal LBAs at 43 CFR 3473.2(f) (70 FR 58876, October 7, 2005) require the applicant who nominates a tract for a competitive lease sale to pay the processing fee (43 CFR 3000.11) prior to publication of the sale notice. Wasatch Natural Resources, LLC, paid the BLM a processing fee in the amount of \$6,600. The successful bidder must pay to the BLM the cost recovery amount of all costs the BLM incurs processing the coal lease sale and all processing costs that BLM incurs after the date of the sale notice leading to lease issuance (43 CFR 3473.2(f)). If the successful bidder is someone other

than the applicant, the BLM will refund to the applicant the processing fee specified in this sale notice. If there is no successful bidder, the applicant remains responsible for all processing fees.

The coal resources to be offered consist of all recoverable reserves available in the following described lands located in Carbon County, Utah, approximately 3 miles northeast of Helper, Utah, on both private and BLM surfaces with federally-administered minerals. They are described as follows:

Salt Lake Meridian

T. 12 S., R.10 E.,

sec. 25, N $\frac{1}{2}$ ;

sec. 26, N $\frac{1}{2}$ ;

sec. 27, N $\frac{1}{2}$ ;

sec. 28, NE $\frac{1}{4}$ , E $\frac{1}{2}$ NW $\frac{1}{4}$ , SW $\frac{1}{4}$ NW $\frac{1}{4}$ , S $\frac{1}{2}$ ;

sec. 29, E $\frac{1}{2}$ SE $\frac{1}{4}$ ;

sec. 33, all.

T. 13 S., R.10 E.,

sec. 3, all;

sec.4, lots 1-4, S $\frac{1}{2}$ N $\frac{1}{2}$ , N $\frac{1}{2}$ S $\frac{1}{2}$  ;

sec. 8, lot 4;

sec. 10, N $\frac{1}{2}$ , W $\frac{1}{2}$ SW $\frac{1}{4}$ ;

sec. 11, N $\frac{1}{2}$ , SE $\frac{1}{4}$ .

Containing approximately 4,325.01 acres

Wasatch Natural Resources, LLC, submitted the application for the coal lease. The application indicates that the company plans to mine the coal through new or rehabilitated entries if it

obtains the lease. The coal in the Dry Canyon B tract has three minable coal beds; the Aberdeen, the Kenilworth; and, the D seam bed. The minable portions of the coal beds in this area are approximately ten feet in thickness for the Aberdeen; approximately 8 feet in thickness for the Kenilworth and approximately 6 feet in thickness for the D seam. The tract contains approximately 42.2 million tons of recoverable high-volatile A/B bituminous coal. The coal quality in the coal beds on an “as received basis” is as follows: 1) Aberdeen: 13,414 Btu/lb., 2.35 percent moisture, 5.57 percent ash, 41.86 percent volatile matter, 49.83 percent fixed carbon and 0.49 percent sulfur; 2) Kenilworth: 13,287 Btu/lb., 2.06 percent moisture, 6.91 percent ash, 42.88 percent volatile matter, 48.26 percent fixed carbon and 0.72 percent sulfur; and, 3) D: 12,470 Btu/lb., 6.00 percent moisture, 8.00 percent ash, 39.00 percent volatile matter, 47.00 percent fixed carbon and 0.50 percent sulfur.

The Dry Canyon B Tract may be leased to the qualified bidder of the highest cash amount, provided that the high bid meets or exceeds the fair market value (FMV) for the tract.

The Department of the Interior has established a minimum bid of \$100 per acre or fraction thereof. The minimum bid is not intended to represent the FMV. The FMV of the tract will be determined by the Authorized Officer after the sale. The lease that may be issued as a result of this offering will provide for payment of an annual rental of \$3 per acre, a royalty rate of 12.5 percent of the value of coal mined by surface methods, and a royalty of 8 percent of the value of the coal produced by underground mining methods. The value of the coal will be determined in accordance with 30 CFR 1206.257.

The BLM signed a Determination of National Environmental Policy Act (NEPA) Adequacy (DNA) on February 18, 2009. The DNA was the result of analyzing numerous previously

prepared NEPA documents. On February 20, 2009, a Finding of No Significant Impacts (FONSI)/Decision Record (DR) was signed based on the DNA. No appeals of the BLM decision to lease were filed during the appeal period that ended on March 24, 2009. The BLM held a public hearing and requested comments on the NEPA review and the FMV of the Dry Canyon Tract on August 13, 2009. No comments were received and the FONSI/DR remains in effect.

The required Detailed Statement for the offered tract, including bidding instructions and sales procedures under 43 CFR 3422.3-2, and the terms and conditions of the proposed coal lease, is available from the BLM, Utah State Office, P.O. Box 45155, Salt Lake City, Utah 84145-0155 or in the Public Room (Room 500), 440 West 200 South, Salt Lake City, Utah 84101. All case file documents and written comments submitted by the public on FMV or royalty rates except those portions identified as proprietary by the commentor and meeting exemptions stated in the Freedom of Information Act, are available for public inspection during normal business hours in the BLM Public Room (Suite 500).

Approved: \_\_\_\_\_ Juan Palma \_\_\_\_\_

Juan Palma

State Director

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